What is claimed is:

1. A product distribution and return system, comprising:

a product dispensed from a vending machine in one location; and

a return mailer dispensed with the product, the product returnable in the

5 return mailer to a return center; the return center in another location.

2. The system of claim 1 further comprising a controller containing a database with information on the product, the controller connected to the vending machine and to the return center with transmission links.

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3. The system of claim 1 wherein the product is a media product selected from the group consisting of DVDs, CDs, videotapes, software media and audio tapes.

4. The system of claim 1 wherein the product is rented using a transaction card.

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5. The system of claim 1 wherein the vending machine is located in a location selected from the groups consisting of an airport, a railroad station, a bus station, a subway, a store and a hotel.

20 6. The system of claim 1 wherein the product is obtained in a first location, used in a second location and deposited in a collection box in a third location.

7. The system of claim 2 further comprising a service agent facility having an automated service agent, the automated service agent having means for accessing the

25 database.

8. The system of claim 7 further comprising instructions issued by the controller to the return center and to the service agent facility, the instructions providing information on inventory management.

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9.   The system of claim 1 further comprising a transaction identifier on the return mailer.

10.   The system of claim 9 wherein the transaction identifier is a scannable code.

11.   The system of claim 10 wherein the return mailer has pre-paid postage and is pre-addressed to the return center.

~~12.   The system of claim 1 wherein the return mailer is also a product case.~~

13. ~12~   The system of claim 1 wherein the product is not returned to the return center.

14.   The system of claim 1 wherein a product rental fee is defined in a set of product rental terms, further wherein the product rental fee includes fees for non-compliance with the product rental terms.

15.   The system of claim 14 wherein the return center determines compliance or non-compliance with the product rental terms, further wherein an additional charge is posted to a consumer account or a future credit to a consumer account is canceled for non-compliance with the product rental terms.

16.   The system of claim 15 wherein product rental terms include terms related to a specified return date and product condition.

17. ~13~   The system of claim 16 wherein the database contains information selected from the group consisting of a transaction identifier, product title, product dispense date, specified return date, product condition, product rental fee and product purchase price.

18. 14 The system of claim 17 wherein the return center determines compliance with the specified return date by noting the actual return date and comparing the actual return date with the specified return date in the database.

19. 15 A method of doing business, comprising:

    providing a media product for rent at one location, the media product dispensed with a return mailer; and

    requesting return of the media product in the return mailer to another location within a period of time, the return mailer depositable with a third-party delivery

10   service.

20. 16 The method of claim 19 wherein a unique code identifies the media product, rental location and rental date.

15   21. 17 The method of claim 20 method further comprising storing information about the media product, rental location and rental date on a database.

22. 18 The method of claim 21 further comprising issuing credit or canceling additional charges depending on product condition and product return date.

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23.   A method of renting media products, comprising:

    consumer activity, wherein the consumer activity includes a vending machine transaction and a product return step; and

    provider activity, wherein the provider activity includes return center activity

25   and service agent activity.

24.   The method of claim 23 wherein the consumer activity and the provider activity are coordinated by a central controller having a database, the database containing information on the vending machine transaction, a product return date,

30   and a product condition.

25.   The method of claim 24 wherein the vending machine transaction is entered into the database with a transaction identifier.

26.   The method of claim 23 wherein the vending machine transaction comprises:

5   a consumer activating a vending machine with a transaction card;

        the consumer selecting a product; and

        the product dispensing from the vending machine with a return mailer.

27.   The method of claim 26 wherein the transaction card is charged for a full

10   purchase price or a rental price.

28.   The method of claim 27 wherein the return center activity comprises:

        opening the return mailer;

        inspecting the product inside the return mailer to determine if the product is

15   in good condition;

        comparing information in the database with the product inside the return

mailer; and

        issuing a credit for a difference between a rental price and a purchase price or

canceling a future charge when the product is return in good condition and on time.

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29.   The method of claim 28 wherein a pro-rated credit is issued when the product

is returned late or in less than good condition.

30.   An apparatus for dispensing products, comprising:

25   means for selecting a particular product;

        means for dispensing the particular product together with a return mailer to a

customer;

        means for identifying the particular product; and

        means for recording a transaction date in a database.

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31. ~~31.~~ 22 The apparatus of claim 30 wherein the means for selecting and depositing a particular product is a vending machine.

32. ~~32.~~ 23 The apparatus of claim 31 wherein the means for identifying the product and

5   rental date is a unique code, the unique code enterable in the database.